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USDOC FOR 532/OEA/M. NICKSON-D/J. HATFIELD
USDOC FOR 3131/USFCS/OIO/ANESA/KREISL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: ETTC ETRD BEXP IN

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: SARTORIUS INDIA PVT. LTD., BANGALORE

REF: USDOC 00262

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Acting Export Control Officer (ECO) David Nardella and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at Sartorius India Pvt. Ltd. (Sartorius), Bangalore, on January 23, ¶2007.

¶3. BIS requested a PSV at Sartorius, a private sector company, located at: #10, 3rd Phase Peenya, 6th Main, KIADB Industrial Area, Bangalore 560058, Tel: 91-80-2837-7728, Fax: 91-80-4117-1840, Email: amit.chatterjee@sartorius.com, Website: www.sartorius.com. The PSV was requested under EAR99/NLR. Sartorius was listed as Ultimate Consignee for five transactions for pumps and pump parts. The exporter was Barnant Company, Barrington, Illinois.

¶4. ECO along with FSN Narayan met with Amit Chatterjee (Chatterjee), Managing Director, Biju Joseph (Joseph), Vice President-Manufacturing and N. Ramesh (Ramesh), Assistant Manager-Materials, Sartorius.

¶5. BIS requested seven (7) PSVs to be conducted at Sartorius for different commodities imported from seven different U.S. firms, including its U.S. affiliation Sartorius North America. Chatterjee and his colleagues were not aware of the BIS regulations. This was the first official visit by a USG or BIS official to Sartorius. Chatterjee stated that they regularly import products from U.S. companies. He stated that in the absence of the U.S. exporters' invoice numbers or relevant transaction papers, it will be difficult to locate the relevant transaction documentation. BIS team did not possess invoices for any of the 7 requested PSVs.

¶6. ECO then advised Chatterjee that BIS, through its headquarters, will obtain the copies of invoices and forward to Sartorius. ECO asked Chatterjee if he would permit the PSV to commence, once all associated invoices are obtained and provided to him. Chatterjee reluctantly replied that he believed the checks would be allowed, but added he would need to inquire with the parent company, to determine if there are corporate legal concerns associated with the PSVs.

¶7. He asked the BIS Team to first obtain, and forward to him the transaction invoices. He would then seek approval from his parent company in Germany, for the PSVs to commence. Chatterjee noted that

the subject equipment might not be at their facility because much of what Sartorius purchases is integrated into custom products sold to customers.

¶8. The invoices for the Barnant Company exports were obtained and forwarded to Sartorius on March 5, 2007. Based on the information in the invoices, Sartorius reported the Barnant pumps and pump parts were incorporated into filtration systems which were sold to three separate end users in Hyderabad. The end users are: Nagarjuna Fertilizers & Chemicals, Gokaraju and Rengaraju Institute of Engineering & Technology and Abdul Quadir Jeelari Center for Post Graduate Studies.

¶9. Sartorius was established in 1992, is a fully owned subsidiary of

Sartorius AG based in Goettingen, Germany. According to company brochure Sartorius is one of the leading laboratory and process technology providers covering the segments of biotechnology and mechatronics. For biotechnology industry Sartorius manufactures membrane filters, syringe filters, vacuum filtration units, pressure filtration units and venting units. In mechatronics it manufactures analytical balances, precision balances, micro and ultra micro-balances, moisture analysis equipment, and electrochemical analysis equipment. In addition, it manufactures gold and carat weighing scales. The key Sartorius customers include pharmaceutical, chemical and food and beverage industries. In addition, it sells its products to several research and educational institutes of the public sector undertakings (PSU). In India Sartorius is headquartered in Bangalore along with two manufacturing facilities with five regional offices located in Mumbai, New Delhi, Kolkata, Secunderabad, and Chennai. Sartorius sales in FY 2006

were approximately \$23 million. It employs 450 personnel India-wide.

¶10. Recommendation: While all indications are that the commodity is being used by Sartorius in its manufacturing process in accordance with the Export Administration Regulations the ECO will be unable to physically verify their actual end use. As such this check is inconclusive. (PDAVIS/PNARAYAN) Pyatt